

**STATE OF UTAH**  
**DEPARTMENT OF NATURAL RESOURCES**  
**DIVISION of OIL, GAS and MINING**  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
(801) 538-5340

**RECLAMATION CONTRACT**

---ooOoo---

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.)  
(Mineral Mined)

M/049/001

Limestone and dolomite

"MINE LOCATION":

(Name of Mine)

(Description)

Keigley Quarry

SW $\frac{1}{4}$  Sec. 15; Sec. 22; SW $\frac{1}{4}$ SW $\frac{1}{4}$

Sec. 23; W $\frac{1}{2}$ NW $\frac{1}{4}$  Sec. 26; NE $\frac{1}{4}$ , E $\frac{1}{2}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$

Sec. 27; T9S, R1E, SLB&M

"DISTURBED AREA":

(Disturbed Acres)

(Legal Description)

400 (approx.)

(refer to Attachment "A")

"OPERATOR":

(Company or Name)

(Address)

Geneva Steel

RFD #1, Box 20-B

Santaquin, UT 84655

Attn: Roy Benson

(Phone)

(801) 227-9782

"OPERATOR'S REGISTERED AGENT":

(Name)

(Address)

(Phone)

"OPERATOR'S OFFICER(S)":

Robert A. Johnson

Vice President and General Counsel

Geneva Steel

10 South Geneva Road, Vineyard, UT 84058

(801) 227-9000

Robert J. Grow, President

Roy Benson, Division Manager Mining

"SURETY":

(Form of Surety - Exhibit B)

Surety Bond

"SURETY COMPANY":

(Name, Policy or Acct. No.)

St. Paul Fire and Marine Insurance Company

"SURETY AMOUNT":

(Escalated Dollars)

\$505,000

"ESCALATION YEAR":

1994 dollars

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

EXHIBITS:

A "DISTURBED AREA":

B "SURETY":

Revision Dates:

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Geneva Steel the "Operator" and the Utah State Board of Oil, Gas and Mining ("Board").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/049/001 which has been approved by the Utah State Division of Oil, Gas and Mining "Division" under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Board, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Board and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the Notice of Intention, and the Reclamation Plan. The Notice of Intention as amended, and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Board. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Exhibit B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Board in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Board. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may

request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the (Board) that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The (Board) shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Board to substitute surety. The Board, in its sole judgment and discretion, may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Division, or Board, as appropriate, may revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.

13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

SO AGREED this 24<sup>th</sup> day of October, 19 91.

Robert A. Johnson

Operator GENEVA STEEL

By Robert A. Johnson, Vice President and General Counsel

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:

BY

[Signature]  
Chairman  
Utah State Board of Oil, Gas and Mining

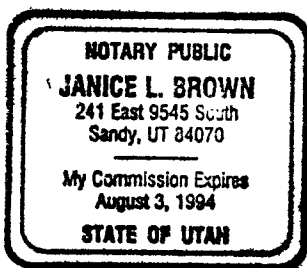
DIVISION OF OIL, GAS AND MINING:

By Dianne R. Nielson  
Dianne R. Nielson, Director

10-24-91  
Date

STATE OF Utah )  
COUNTY OF Salt Lake ) ss:

On the 24<sup>th</sup> day of October, 19 91, personally  
appeared before me, who being duly sworn did say that he/she, the said  
DIANNE R. NIELSON is the Director of the Division of Oil,  
Gas and Mining, Department of Natural Resources, State of Utah, and he/she duly  
acknowledge to me that he/she executed the foregoing document by authority of law  
on behalf of the State of Utah.



Janice L. Brown  
Notary Public  
Residing at: Sandy, Utah

August 3, 1994  
My Commission Expires:

OPERATOR:

Operator Name: GENEVA STEEL

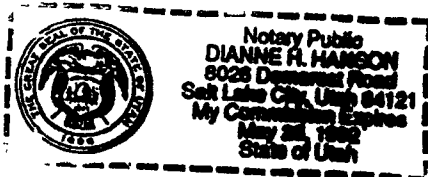
By Robert A. Johnson  
Vice President and General Counsel  
Corporate Officer - Position

23 September 1991  
Date

Robert A. Johnson  
Signature

STATE OF UTAH )  
COUNTY OF UTAH ) ss:

On the 23<sup>rd</sup> day of September, 19 91, personally  
appeared before me Robert A. Johnson who  
being by me duly sworn did say that he/she, the said Robert A. Johnson  
is the Vice President and General Counsel of Geneva Steel  
and duly acknowledged that said instrument was signed on behalf of said company  
by authority of its bylaws or a resolution of its board of directors and said  
Robert A. Johnson duly acknowledged to me that said  
company executed the same.



Dianne R. Hanson  
Notary Public  
Residing at: Salt Lake County, UT

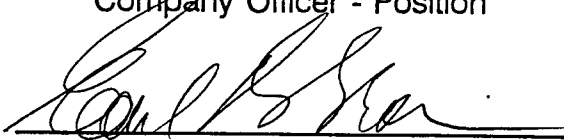
May 26, 1992  
My Commission Expires:

SURETY:

St. Paul Fire and Marine Insurance Company  
Surety Company

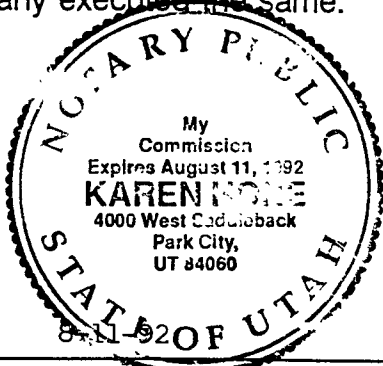
By Earl D. Brown, Attorney-in-Fact  
Company Officer - Position

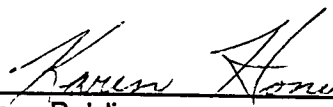
September 24, 1991  
Date

  
Signature

STATE OF UTAH )  
COUNTY OF SALT LAKE ) ss:

On the 24th day of September, 19 91, personally  
appeared before me Earl D. Brown who  
being by me duly sworn did say that he/she, the said Earl D. Brown  
is the Attorney-in-Fact of St. Paul Fire and Marine Insurance Company  
and duly acknowledged that said instrument was signed on behalf of said company  
by authority of its bylaws or a resolution of its board of directors and said  
Earl D. Brown duly acknowledged to me that said  
company executed the same.



  
Notary Public  
Residing at: Park City, Utah

My Commission Expires:

NOTE: An affidavit of Qualification must be completed and attached to this form for each authorized agent or officer. Where one signs by virtue of Power of Attorney for a company, such Power of Attorney must be filed with this Contract.



**Attachment "A"**

(detailed legal description)

The lands to be disturbed, consisting of approximately 400 acres,  
are located within the following described areas:

SW $\frac{1}{4}$  Sec. 15; Sec. 22; SW $\frac{1}{4}$ SW $\frac{1}{4}$  Sec. 23; W $\frac{1}{2}$ NW $\frac{1}{4}$  Sec. 26; NE $\frac{1}{4}$ , E $\frac{1}{2}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$   
Sec. 27; T9S, R1E, SLB&M.

EXHIBIT B

MR FORM 5

March 1991  
(Noncoal)

Bond Number \_\_\_\_\_  
Permit Number M/049/001  
Mine Name Keigley Quarry

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
Division of Oil, Gas and Mining  
355 West North Temple  
3 Triad Center Suite 350  
Salt Lake City, Utah 84180-1203  
(801) 538-5340

THE MINED LAND RECLAMATION ACT

SURETY BOND

\* \* \* \* \*

The undersigned GENEVA STEEL,  
as Principal, and ST. PAUL FIRE AND MARINE INSURANCE COMPANY,  
as Surety, hereby jointly and severally bind ourselves, our heirs, administrators,  
executors, successors, and assigns, jointly and severally, unto the State of Utah, Division  
of Oil, Gas and Mining (Division) in the penal sum of Five Hundred Five Thousand and No/100  
dollars (\$ 505,000.00 ).

Principal has estimated in the Mining and Reclamation Plan approved by the  
Division on the 23rd day of March, 1989, that 400  
acres of land will be disturbed by mining operation in the State of Utah.

A description of the disturbed land is attached hereto as "Attachment 1"

The condition of this obligation is that if the Division determines that Principal  
has satisfactorily reclaimed the disturbed lands in accordance with the approved Mining  
and Reclamation Plan and has faithfully performed all requirements of the Mined Land  
Reclamation Act, and complied with the Rules and Regulations adopted in accordance  
therewith, then this obligation shall be void; otherwise it shall remain in full force and  
effect.

If the Mining and Reclamation Plan provides for periodic partial reclamation of  
the disturbed lands, and if the lands are reclaimed in accordance with such Plan, Act  
and regulations, then Principal may apply for a reduction in the amount of this Surety  
Bond.

In the converse, if the Mining and Reclamation Plan provides for a gradual increase in the area disturbed or the extent of disturbance, then, the Division may require that the amount of this Surety Bond be increased, with the written approval of the Surety.

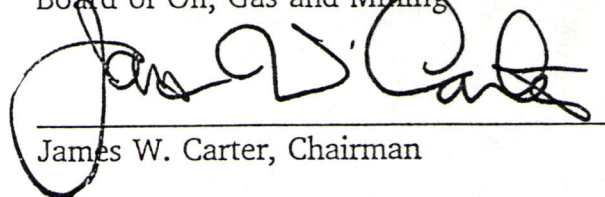
This bond may be canceled by Surety after ninety (90) days following receipt by the Division and Principal of written notice of such cancellation. Surety's liability shall then, at the expiration of said ninety (90) days, cease and terminate except that Surety will remain fully liable for all reclamation obligations of the Principal to be performed prior to the date of termination.

Principal and Surety and their successors and assigns agree to guarantee said obligation and to indemnify, defend, and hold harmless the Division from any and all expenses (including attorney fees) which the Division may sustain in the collection of sums due hereunder.

Surety will give prompt notice to Principal and to the Division of the filing of any petition or the commencement of any proceeding relating to the bankruptcy, insolvency, reorganization, or adjustment of the debts of Surety, or alleging any violation or regulatory requirements which could result in suspension or revocation of the Surety's license to do business.

Dated this 24<sup>th</sup> day of October, 19 91.

State of Utah  
Board of Oil, Gas and Mining

  
James W. Carter, Chairman

IN WITNESS WHEREOF, the Principal and Surety hereunto set their signatures and seals as of the dates set forth below.

Date 30 August 1991

Geneva Steel  
Principal (Permittee)

By (Name typed): Robert A. Johnson

Title: Vice President

Signature: Robert A. Johnson

Date August 29, 1991

ST. PAUL FIRE AND MARINE INSURANCE COMPANY  
Surety

By (Name typed): EARL D. BROWN

Title: ATTORNEY-IN-FACT

Signature: Earl D. Brown

\*NOTE: Where one signs by virtue of Power of Attorney for a Surety, such Power of Attorney must be filed with this bond. If the Operator is a corporation, the bond shall be executed by its duly authorized officer.

## AFFIDAVIT OF QUALIFICATION

EARL D. BROWN, being first duly sworn, on oath deposes and says that he/she is the (officer or agent) ATTORNEY-IN-FACT of said Surety, and that he/she is duly authorized to execute and deliver the foregoing obligations; that said Surety is authorized to execute the same and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertaking and obligations.

Signed: *Earl D. Brown*

Surety Officer

Title: ATTORNEY-IN-FACT

Subscribed and sworn to before me this 29th day of August, 1991.

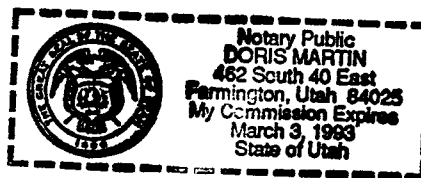
*Doris Martin*

Notary Public

Residing at: Farmington, UT

My Commission Expires:

March 3, 1993



"ATTACHMENT 1"

Geneva Steel  
Operator

Keigley Quarry  
Mine Name

M/049/001  
Permit No.

Utah County, Utah

The lands to be disturbed, consisting of approximately 400 acres, are located within the following described areas:

SW $\frac{1}{4}$  Sec. 15, Sec. 22, SW $\frac{1}{4}$ SW $\frac{1}{4}$  Sec. 23, W $\frac{1}{2}$ NW $\frac{1}{4}$  Sec. 26, NE $\frac{1}{4}$ ,  
E $\frac{1}{2}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$  Sec. 27, T9S, R1E, SLB&M.

For verification of the authenticity of this Power of Attorney, you may telephone toll free 800-326-2189 and ask for the Power of Attorney Clerk. Please refer to the Certificate of Authority No. and the named individual(s).

**GENERAL POWER OF ATTORNEY - CERTIFIED COPY**  
(Original on File at Home Office of Company. See Certification.)

**KNOW ALL MEN BY THESE PRESENTS:** That **St. Paul Fire and Marine Insurance Company**, a corporation organized and existing under the laws of the State of Minnesota, having its principal office in the City of St. Paul, Minnesota, does hereby constitute and appoint:

Earl D. Brown, Karen Hone, Doris Martin,  
Karen A. O'Neill, individually,  
Salt Lake City, Utah

its true and lawful attorney(s)-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise,

**NOT TO EXCEED IN PENALTY THE SUM OF TEN MILLION (\$10,000,000) EACH**

and the execution of all such instrument(s) in pursuance of these presents, shall be as binding upon said **St. Paul Fire and Marine Insurance Company**, as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office.

This Power of Attorney is executed, and may be certified to and may be revoked, pursuant to and by authority of Article V, Section 6(C), of the By-Laws adopted by the Board of Directors of **ST. PAUL FIRE AND MARINE INSURANCE COMPANY** at a meeting called and held on the 23rd day of January, 1970, of which the following is a true transcript of said Section 6(C):

- "The President or any Vice President, Assistant Vice President, Secretary or Resident Secretary shall have power and authority
- (1) To appoint Attorneys-in-fact, and to authorize them to execute on behalf of the Company, and attach the Seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and
  - (2) To appoint special Attorneys-in-fact, who are hereby authorized to certify to copies of any power-of-attorney issued in pursuance of this section and/or any of the By-Laws of the Company, and
  - (3) To remove, at any time, any such Attorney-in-fact or Special Attorney-in-fact and revoke the authority given him."

Further, this Power of Attorney is signed and sealed by facsimile pursuant to resolution of the Board of Directors of said Company adopted at a meeting duly called and held on the 6th day of May, 1959, of which the following is a true excerpt:

"Now therefore the signatures of such officers and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached."



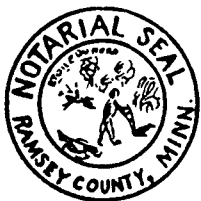
IN TESTIMONY WHEREOF, **St. Paul Fire and Marine Insurance Company** has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer, this 1st day of March, A.D. 1984.

STATE OF MINNESOTA } ss.  
County of Ramsey

**ST. PAUL FIRE AND MARINE INSURANCE COMPANY**

*[Signature]*  
Vice President

On this 28th day of May, 1987, before me came the individual who executed the preceding instrument, to me personally known, and, being by me duly sworn, said that he/she is the therein described and authorized officer of **St. Paul Fire and Marine Insurance Company**; that the seal affixed to said instrument is the Corporate Seal of Said Company; that the said Corporate Seal and his/her signature were duly affixed by order of the Board of Directors of said Company.



IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal, at the city of St. Paul, Minnesota, the day and year first above written.

*Mary Clancy*

MARY C. CLANCY, Notary Public, Ramsey County, MN  
My Commission Expires November 1, 1990

**CERTIFICATION**

I, the undersigned officer of **St. Paul Fire and Marine Insurance Company**, do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Section of the By-Laws of said Company as set forth in said Power of Attorney, with the **ORIGINALS ON FILE IN THE HOME OFFICE OF SAID COMPANY**, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.



IN TESTIMONY WHEREOF, I have hereunto set my hand this

29th day of August, 1991

*[Signature]*  
Secretary

Only a certified copy of Power of Attorney bearing the Certificate of Authority No. printed in red on the upper right corner is binding. Photocopies, carbon copies or other reproductions of this document are invalid and not binding upon the Company.

**ANY INSTRUMENT ISSUED IN EXCESS OF THE PENALTY AMOUNT STATED ABOVE IS TOTALLY VOID AND WITHOUT ANY VALIDITY.**